

BROWN, TODD
& HEYBURN PLLC

RECORDATION NO. 10127-F
FILED
OCT 30 '97 10-10 AM

F

Charles R. Keeton

October 29, 1997

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Indiana Office
120 West Spring Street, Suite 400
New Albany, IN 47150-3655
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Facsimile (812) 948-7994

Surface Transportation Board
Attn: Ms. Janice Fort
The Mercury Building
1925 K Street N.W.
Washington, DC 20423

VIA UPS OVERNIGHT

Re: Document for Recordation

Dear Ms. Fort:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is an Acknowledgement of Lease Termination, a secondary document, dated as of September 24, 1997.

The primary document to which this is connected is recorded under Recordation No. 10127-B

The names and addresses of the parties to the documents are as follows:

Transferor: Island Creek Coal Company, a Delaware corporation, P.O. Box 11430, Lexington, Kentucky 40575.

Transferees: PNC Leasing Corp., Kentucky, a Kentucky corporation, 330 Guthrie Green, Suite 301, Louisville, KY 40202-2514; and,

NationsBanc Leasing Corporation, a Delaware corporation,

A description of the equipment covered by the document follows:

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RECEIVED
SURFACE TRANSPORTATION
BOARD

Type: 229 used 100-ton, open-top hopper railroad cars with a value of \$7,500.00 per railroad car.

AAR Designation: HT.

Road (Serial) Numbers: ICRX 30000 -30235, inclusive, but excluding numbers 30019, 30088, 30134, 30135, 30153, 30166, 30167.

A fee of \$24 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Brown, Todd & Heyburn PLLC, Attn: Charles R. Keeton, 3200 Providian Center, Louisville, KY 40202.

A short summary of the document to appear in the index follows:

Acknowledgement of Lease Termination by and between Island Creek Coal Company and PNC Leasing Corp. Kentucky and Nationsbank Leasing Corporation, as successors in interest to Citizens Fidelity Bank and Trust Company and Suburban Trust Company under that certain Trust Agreement dated as of January 1, 1979 among Citizens Fidelity Bank and Trust Company, Suburban Trust Company and Exchange National Bank of Chicago (as predecessor of La Salle National Bank).

Should you have any questions please contact Charles R. Keeton at (502) 589-5400. Thank you for your attention to this matter.

Sincerely,



Charles R. Keeton

cc: Dennis Turner

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ACKNOWLEDGEMENT OF LEASE TERMINATION

This is an Acknowledgement of Lease Termination (the "Acknowledgement"), dated as of September 24, 1997, by and between Island Creek Coal Company ("ICCC") and PNC Leasing Corp., Kentucky ("PNC Leasing") and NationsBanc Leasing Corporation ("NationsBanc Leasing"), as successors in interest to Citizens Fidelity Bank and Trust Company ("CFBTC") and Suburban Trust Company ("STC") under that certain Trust Agreement dated as of January 1, 1979 among CFBTC, STC and Exchange National Bank of Chicago ("ENBC") (as predecessor of LaSalle National Bank ("LSNB")).

RECITALS

A. ICCC, CFBTC, STC, LSNB, ENBC, Island Creek Coal, Inc. and State Farm Life Insurance Company were parties to that certain Participation Agreement dated as of February 1, 1979.

B. STC, pursuant to that certain Trust Agreement dated as of January 1, 1979, as amended by that certain Trust Amendment Agreement No.1 dated as of February 1, 1979, authorized and directed ENBC to purchase certain units of railroad equipment pursuant to a Conditional Sale Agreement dated as of February 1, 1979, from Shenandoah-Virginia Corporation.

C. Shenandoah-Virginia Corporation assigned a portion of its interests in the Conditional Sale Agreement pursuant to an Agreement and Assignment dated February 1, 1979 to LSNB, acting as agent under the Participation Agreement mentioned under Recital A. above.

D. ICCC leased from ENBC the number of units of railroad equipment delivered and accepted under the Conditional Sale Agreement, pursuant to a Lease of Railroad Equipment dated as of February 1, 1979 (the "Lease"). That Lease was recorded with the Interstate Commerce Commission (predecessor of the Surface Transportation Board) on February 21, 1979, and given recordation number 10127-B.

E. Island Creek Coal, Inc., a California Corporation ("ICCI"), the guarantor, executed a Guaranty dated as of February 1, 1979 under which it guaranteed the obligations of ICCC under the Lease and certain other agreements entered into by ICCC.

F. ENBC assigned the Lease for security purposes to State Farm Life Insurance Company, an Illinois corporation ("SFLIC") together with its successors and assigns, pursuant to an Assignment of Lease and Agreement dated as of February 1, 1979 and ICCC consented to the Assignment of Lease and Agreement pursuant to a Consent and Agreement.

G. ENBC entered into the Lease not in its individual capacity but solely as trustee under the Trust Agreement dated as of January 1, 1979, as amended, with CFBTC and STC. PNC Leasing and NationsBanc Leasing are successors in interest to CFBTC and STC. LSNB is the successor in interest to ENBC.

H. By Instrument of Transfer dated June 30, 1997, LSNB has conveyed to PNC Leasing and NationsBanc Leasing all of LSNB's rights, title and interest in and to the railroad equipment and all monies and/or other property, proceeds and rights comprising the Trust Estate as defined in the Trust Agreement dated as of January 1, 1979.

NOW, THEREFORE, in consideration of the covenants and mutual agreements contained herein and for other good and valuable consideration, the receipt, adequacy, and mutuality of which is hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows:

1. Date of Expiration. Pursuant to §3.1. and ARTICLE 4. of the Lease, the Lease expired by its terms on March 30, 1997 on which date the final payment of rent was paid by ICCC.

2. Renewal Option. Pursuant to §16.1 of the Lease, ICCC was entitled at the end of the original term of the Lease to renew for a term of not less than five or more than seven years. Notwithstanding the foregoing entitlement, ICCC has opted not to renew the Lease.

3. Purchase Option. Pursuant to §16.2 of the Lease, ICCC was entitled at the end of the original term of the Lease to purchase any or all units at the fair market value as defined in the Lease. Notwithstanding the foregoing, ICCC has opted not to exercise the purchase option.

4. Lease Termination; Release of Interest. ICCC acknowledges that the term of the Lease has fully, finally and permanently expired, and that any right to possess and/or interest in the units subject to the Lease have fully, finally and permanently terminated as well. To confirm the foregoing, ICCC hereby fully and forever releases any and all claims to and for interest in any and/or all of the units subject to, or which were on March 29, 1997, subject to, the Lease.


5. Governing Law. This Acknowledgement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

6. Entire Agreement. This Acknowledgement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties. This Acknowledgement may be amended only by written instrument executed by the parties.

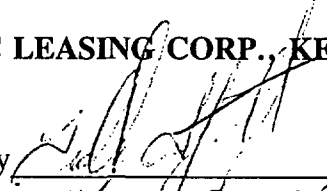
7. Counterparts. This Acknowledgement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same acknowledgement.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered counterparts of this Acknowledgement as of the date set forth in the preamble hereto, but actually on the dates set forth below.


ISLAND CREEK COAL COMPANY

By 
S. Galuschak
Title: Director - Administrative Services
CONSOL Inc.
Attorney-In-Fact
Date: 10-1-97

PNC LEASING CORP., KENTUCKY

By 
Title: President PNC
Date: 10/6/97

NATIONSBANC LEASING CORPORATION

By 
Title: VP Asset Management
Date: 10-3-97

Pennsylvania
COMMONWEALTH OF KENTUCKY)
Allegany) SS
COUNTY OF JEFFERSON)

On this 1st day of ^{October} ~~September~~, 1997, before me personally appeared S. GALUSCHAK, to me personally known, who being by me duly sworn, says that (s)he is the Attorney-in-fact of **ISLAND CREEK COAL COMPANY**, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara P. Tate
NOTARY PUBLIC

My commission expires:

Notarial Seal
Barbara P. Tate, Notary Public
Upper St. Clair Twp., Allegheny County
My Commission Expires May 17, 1998

Member, Pennsylvania Association of Notaries

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF JEFFERSON)

On this 6 day of ^{October} ~~September~~, 1997, before me personally appeared Ted K. Sturgwalt, to me personally known, who being by me duly sworn, says that (s)he is the President of **PNC LEASING CORP., KENTUCKY**, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

W.H. Haller Jr.
NOTARY PUBLIC

My commission expires:
March 17, 2000

(SEAL)

)

) SS

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Margaret D. Baugh
NOTARY PUBLIC

~~Notary Public, DeKalb County, Georgia~~
My Commission Expires May 9, 2000

FS6.B1424
F:\USERS\545\PNC\LEASING\RELEASE.#1
September 22, 1997 (3:28pm)